

# EXHIBIT 1

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*\*Pending Transfer to MDL 1917 and  
Automatic Pro Hac Vice Admission Pursuant  
to Pretrial Order No. 1 Dated April 4, 2008  
(Waiving Civil L.R. 11-3)*

Attorneys for Plaintiff State of Florida

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

**CV11 6205**

This Document Relates To:

Case No.

STATE OF FLORIDA,  
OFFICE OF THE ATTORNEY GENERAL,  
DEPARTMENT OF LEGAL AFFAIRS,

Plaintiff,

v.

LG ELECTRONICS, INC., LG  
ELECTRONICS U.S.A., INC., LG  
ELECTRONICS TAIWAN TAIPEI CO.,  
LTD., KONINKLIJKE PHILIPS  
ELECTRONICS N.V. A/K/A ROYAL  
PHILIPS ELECTRONICS N.V.,  
PHILIPS ELECTRONICS NORTH  
AMERICA CORPORATION, PHILIPS  
ELECTRONICS INDUSTRIES (TAIWAN),

**COMPLAINT FOR DAMAGES, CIVIL  
PENALTIES, INJUNCTIVE RELIEF**

**DEMAND FOR JURY TRIAL**

Judge:

COMPLAINT - STATE OF FLORIDA

10  
Jury  
1/25

**FILED**

DEC - 9 2011

RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

E-filing

LB

LTD., PHILIPS DA AMAZONIA  
INDUSTRIA ELECTRONICA LTDA.,  
SAMSUNG ELECTRONICS CO., LTD.,  
SAMSUNG ELECTRONICS AMERICA,  
INC., SAMSUNG SDI CO., LTD. F/K/A  
SAMSUNG DISPLAY DEVICE CO., LTD.,  
SAMSUNG SDI AMERICA, INC.,  
SAMSUNG SDI MEXICO S.A. DE C.V.,  
SAMSUNG SDI BRASIL LTDA.,  
SHENZHEN SAMSUNG SDI CO., LTD.,  
TIANJIN SAMSUNG SDI CO., LTD.,  
SAMSUNG SDI (MALAYSIA) SDN. BHD.,  
TOSHIBA CORPORATION, TOSHIBA  
AMERICA, INC., TOSHIBA AMERICA  
CONSUMER PRODUCTS, LLC, TOSHIBA  
AMERICA INFORMATION SYSTEMS,  
INC., TOSHIBA AMERICA ELECTRONIC  
COMPONENTS, INC., MT PICTURE  
DISPLAY CO., LTD., PANASONIC  
CORPORATION F/K/A MATSUSHITA  
ELECTRIC INDUSTRIAL CO., LTD.,  
PANASONIC CORPORATION OF NORTH  
AMERICA, BEIJING-MATSUSHITA  
COLOR CRT COMPANY, LTD., HITACHI,  
LTD., HITACHI DISPLAYS, LTD.,  
HITACHI ELECTRONIC DEVICES (USA),  
INC., HITACHI AMERICA, LTD., HITACHI  
ASIA, LTD., CHUNGHWA PICTURE  
TUBES LTD., CPTF OPTRONICS CO.,  
LTD., CHUNGHWA PICTURE TUBES  
(MALAYSIA) SDN. BHD., IRICO GROUP  
CORPORATION, IRICO DISPLAY  
DEVICES CO., LTD., IRICO GROUP  
ELECTRONICS CO., LTD., THAI CRT  
COMPANY, LTD. AND SAMTEL COLOR,  
LTD.

Defendants.

Plaintiff, the State of Florida, through the Attorney General and the Department of Legal  
Affairs, files this Complaint against Defendants LG Electronics, Inc., LG Electronics U.S.A.,  
Inc., LG Electronics Taiwan Taipei Co., Ltd., Koninklijke Philips Electronics N.V. a/k/a Royal  
Philips Electronics N.V., Philips Electronics North America Corporation, Philips Electronics

1 Industries (Taiwan), Ltd., Philips Da Amazonia Industria Electronica Ltda., Samsung Electronics  
2 Co., Ltd., Samsung Electronics America, Inc., Samsung SDI Co., Ltd. f/k/a Samsung Display  
3 Device Co., Ltd., Samsung SDI America, Inc., Samsung SDI Mexico S.A. de C.V., Samsung  
4 SDI Brasil Ltda., Shenzhen Samsung SDI Co., Ltd., Tianjin Samsung SDI Co., Ltd., Samsung  
5 SDI (Malaysia) Sdn. Bhd., Toshiba Corporation, Toshiba America, Inc., Toshiba America  
6 Consumer Products, LLC, Toshiba America Information Systems, Inc., Toshiba America  
7 Electronic Components, Inc., MT Picture Display Co., Ltd., Panasonic Corporation f/k/a  
8 Matsushita Electric Industrial Co., Ltd., Panasonic Corporation of North America, Beijing-  
9 Matsushita Color CRT Company, Ltd., Hitachi, Ltd., Hitachi Displays, Ltd., Hitachi Electronic  
10 Devices (USA), Inc., Hitachi America, Ltd., Hitachi Asia, Ltd., Chunghwa Picture Tubes Ltd.,  
11 CPTF Optronics Co., Ltd., Chunghwa Picture Tubes (Malaysia) Sdn. Bhd., IRICO Group  
12 Corporation, IRICO Display Devices Co., Ltd., IRICO Group Electronics Co., Ltd., Thai CRT  
13 Company, Ltd. and Samtel Color, Ltd., (collectively “Defendants”), and alleges:

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16 **A. NATURE OF THE ACTION**

17  
18 1. The State of Florida brings this action against the Defendants under the Sherman  
19 Act, the Clayton Act, the Florida Antitrust Act, and the Florida Deceptive and Unfair Trade  
20 Practices Act on behalf of itself and its governmental entities, on behalf of businesses within  
21 Florida, and on behalf of natural persons in Florida. The State of Florida demands trial by jury of  
22 all issues stated herein.

23  
24 2. Defendants conspired to suppress and eliminate competition by fixing the prices  
25 of Cathode Ray Tubes (CRTs) and by agreeing to limit the production of CRTs.

26 3. Defendants’ conspiracy affected billions of dollars of commerce and damaged  
27 virtually every government entity, business, and consumer in Florida.  
28

4. The Attorney General of Florida has reviewed this matter and determined that an enforcement action serves the public interest.

## **B. JURISDICTION AND VENUE**

5. Count One alleges violations of Section 1 of the Sherman Act, 15 U.S.C. § 1. It is filed under Section 4 of the Clayton Act, 15 U.S.C. § 15 (suits by persons injured), and Section 16 of the Clayton Act, 15 U.S.C. § 26 (injunctive relief). This Court has original jurisdiction over the federal antitrust claim pursuant to Title 28, United States Code Sections 1331 (federal question) and 1337 (original jurisdiction of proceeding under an Act of Congress regulating commerce or protecting trade and commerce against restraints).

6. Counts Two and Three arise under the Florida Antitrust Act, Section 542.15, *et seq.*, Florida Statutes, and the Florida Deceptive and Unfair Trade Practices Act, Section 501.201, *et seq.*, Florida Statutes, respectively. This Court has subject matter jurisdiction over the state claims pursuant to Title 28, United States Code Section 1367 (supplemental jurisdiction) because these claims are so related to the federal claim that they form part of the same case or controversy that would ordinarily be tried in one judicial proceeding. The exercise of supplemental jurisdiction avoids unnecessary duplication and multiplicity of actions and is in the interests of judicial economy, convenience, and fairness.

7. Venue is proper in the United States District Court, Northern District of California, under Title 15, United States Code Section 22 (commerce and trade venue) and Title 28, United States Code Section 1391 (general venue). Each Defendant is an alien corporation or resides, transacts business, committed an illegal or tortious act, or is found in this district, and a substantial part of the events giving rise to the claims arose in this district.

**C. DEFINITIONS**

8. As used herein,

a. “CRT” or “CRTs” means “cathode ray tube(s).” A CRT is a display technology used in televisions, computer monitors and other specialized applications. The CRT is a vacuum tube that is coated on its inside face with light sensitive phosphors. An electron gun at the back of the vacuum tube emits electron beams. When the electron beams strike the phosphors, the phosphors produce either red, green, or blue light. A system of magnetic fields inside the CRT, as well as varying voltages, directs the beams to produce the desired colors. This process is rapidly repeated several times per second to produce the desired images.

b. There are two types of CRTs: color display tubes, which are used in computer monitors and other specialized applications, and color picture tubes, which are used in televisions. Color display tubes and color picture tubes are collectively referred to herein as “cathode ray tubes” or “CRTs.”

c. “CRT Products” means products containing CRTs, such as televisions and computer monitors.

d. “OEM” means any Original Equipment Manufacturer of CRT Products.

e. “Person” means any individual, partnership, corporation, association, or other business or legal entity.

f. “Relevant Period” means the period beginning at least March 1, 1995, through at least November 25, 2007.

**D. PARTIES**

**a. Plaintiff**

9. The State of Florida is assigned the rights giving rise to Count I from vendors that sold CRTs or CRT Products, purchased directly from a Defendant, to Florida governmental entities pursuant to a state contract, and is authorized to file under 15 U.S.C. §§ 15 and 26.

10. The Attorney General of Florida is the chief legal officer of Florida, is the enforcement authority of Chapter 542, Florida Statutes, and is authorized by assignment, as described in the paragraph above, to file Count II seeking the full range of relief afforded by Chapter 542, Florida Statutes.

11. The Department of Legal Affairs of Florida is the enforcing authority for violations of Chapter 501, Florida Statutes, and has authority to file Count III to enjoin any person who has violated the Florida Deceptive and Unfair Trade Practices Act ("FDUTPA"), and for actual damages on behalf of one or more individual consumers, businesses, and governmental entities in Florida, including direct and indirect purchases.

**b. Defendants**

12. Defendant LG Electronics, Inc. ("LGE") is a corporation organized under the laws of Korea with its principal place of business located at LG Twin Towers, 20 Yeouido-dong, Yeoungdeungpo-gu, Seoul 150-721, South Korea. The company's name was changed from GoldStar Communications to LG Electronics, Inc. in 1995, the year in which it also acquired Zenith in the United States. In 2001, LGE transferred its CRT business to a 50/50 CRT joint venture with Defendant Koninklijke Philips Electronics N.V. a/k/a Royal Philips Electronics N.V. forming LG.Philips Displays. During the Relevant Period, LGE manufactured, marketed,



1 sold and/or distributed CRTs and CRT Products, either directly or indirectly through its  
2 subsidiaries or affiliates, to customers throughout the United States.

3 13. Defendant LG Electronics U.S.A., Inc. ("LGEUSA) is a Delaware corporation  
4 with its principal place of business located at 1000 Sylvan Avenue, Englewood Cliffs, NJ 07632.  
5 LGEUSA is a wholly-owned and controlled subsidiary of Defendant LGE. During the Relevant  
6 Period, LGEUSA manufactured, marketed, sold and/or distributed CRT Products, either directly  
7 or indirectly through its subsidiaries or affiliates, to customers throughout the United States.  
8 Defendant LGE dominated and controlled the finances, policies, and affairs of LGEUSA.  
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10 14. Defendant LG Electronics Taiwan Taipei Co., Ltd. ("LGETT") is a Taiwanese  
11 entity with its principal place of business located at 7F, No.47, Lane3, Jihu Road, NeiHu District,  
12 Taipei City, Taiwan. LGETT is a wholly-owned and controlled subsidiary of Defendant LGE.  
13 During the Relevant Period, LGETT manufactured, marketed, sold and/or distributed CRT  
14 Products, either directly or indirectly through its subsidiaries or affiliates, to customers  
15 throughout the United States. Defendant LGE dominated and controlled the finances, policies,  
16 and affairs of LGETT.  
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18 15. Defendants LGE, LGEUSA, and LGETT are collectively referred to herein as  
19 "LG."  
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21 16. Defendant Koninklijke Philips Electronics N.V. a/k/a Royal Philips Electronics  
22 N.V. ("Royal Philips") is a Dutch company with its principal place of business located at  
23 Amstelplein 2, Breitner Center, 1070 MX Amsterdam, The Netherlands. Royal Philips, founded  
24 in 1891, is one of the world's largest electronics companies, with 160,900 employees located in  
25 over 60 countries. Royal Philips had sole ownership of its CRT business until 2001, when it  
26 transferred its CRT business to a 50/50 CRT joint venture with Defendant LG Electronics, Inc.,  
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1 forming LG.Philips Displays. In December 2005, as a result of decreasing demand and prices for  
2 CRTs and CRT Products, Royal Philips wrote off the remaining book value of 126 million Euros  
3 of its investment and said it would not inject further capital into the joint venture. During the  
4 Class Period, Royal Philips manufactured, marketed, sold and/or distributed CRTs and CRT  
5 Products, either directly or indirectly through its subsidiaries or affiliates, to customers  
6 throughout the United States.

8 17. Defendant Philips Electronics North America Corporation ("PENAC") is a  
9 Delaware corporation with its principal place of business located at 1251 Avenue of the  
10 Americas, New York, NY 10020-1104. PENAC is a wholly-owned and controlled subsidiary of  
11 Defendant Royal Philips. During the Class Period, PENAC manufactured, marketed, sold and/or  
12 distributed CRTs and CRT Products, either directly or indirectly through its subsidiaries or  
13 affiliates, to customers throughout the United States. Defendant Royal Philips dominated and  
14 controlled the finances, policies, and affairs of PENAC.

16 18. Defendant Philips Electronics Industries (Taiwan), Ltd. ("Philips Taiwan") is a  
17 Taiwanese company with its principal place of business located at 15F 3-1 Yuanqu Street,  
18 Nangang District, Taipei, Taiwan. Philips Taiwan is a subsidiary of Defendant Royal Philips.  
19 During the Relevant Period, Philips Taiwan manufactured, marketed, sold and/or distributed  
20 CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers  
21 throughout the United States. Defendant Royal Philips dominated and controlled the finances,  
22 policies, and affairs of Philips Taiwan.

23 19. Defendant Philips da Amazonia Industria Electronica Ltda. ("Philips Brazil") is a  
24 Brazilian company with its principal place of business located at Av Torquato Tapajos 2236, 1  
25 andar (parte 1), Flores, Manaus, AM 39048-660, Brazil. Philips Brazil is a wholly-owned and  
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1 controlled subsidiary of Defendant Royal Philips. During the Relevant Period, Philips Brazil  
2 manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly  
3 through its subsidiaries or affiliates, to customers throughout the United States. Defendant Royal  
4 Philips dominated and controlled the finances, policies, and affairs of Philips Brazil.

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6 20. Defendants Royal Philips, PENAC, Philips Taiwan, and Philips Brazil are  
7 collectively referred to herein as "Philips."

8 21. Defendant Samsung Electronics Co., Ltd. ("SEC") is a South Korean company  
9 with its principal place of business located at Samsung Main Building, 250, 2-ga, Taepyong-ro,  
10 Jung-gu, Seoul 100-742, South Korea. During the Relevant Period, SEC manufactured,  
11 marketed, sold and/or distributed CRT Products, either directly or indirectly through its  
12 subsidiaries or affiliates, to customers throughout the United States.

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14 22. Defendant Samsung Electronics America, Inc. ("SEAI") is a New York  
15 corporation with its principal place of business located at 105 Challenger Road, 6th Floor,  
16 Ridgefield Park, New Jersey 07660. SEAI is a wholly-owned and controlled subsidiary of  
17 Defendant SEC. During the Relevant Period, SEAI manufactured, marketed, sold and/or  
18 distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to  
19 customers throughout the United States. Defendant SEC dominated and controlled the finances,  
20 policies, and affairs of SEAI.

21  
22 23. Defendant Samsung SDI Co., Ltd. f/k/a Samsung Display Device Co., Ltd.  
23 ("Samsung SDI"), is a South Korean company with its principal place of business located at 15th  
24 – 18th Floor, Samsung Life Insurance Building, 150, 2-ga, Taepyong-ro, Jung-gu, Seoul, 100-  
25 716, South Korea. Samsung SDI is a public company. In 2002, Samsung SDI held a 34.3%  
26 worldwide market share for CRTs; more than another other producer. During the Relevant  
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1 Period, Samsung SDI manufactured, marketed, sold and/or distributed CRTs, either directly or  
2 indirectly through its subsidiaries or affiliates, to customers throughout the United States.

3 24. Defendant Samsung SDI America, Inc. ("Samsung SDI America") is a California  
4 corporation with its principal place of business located at 3333 Michelson Drive, Suite 700,  
5 Irvine, California. Samsung SDI America is a wholly-owned and controlled subsidiary of  
6 Defendant Samsung SDI. During the Relevant Period, Samsung SDI America manufactured,  
7 marketed, sold and/or distributed CRTs, either directly or indirectly through its subsidiaries or  
8 affiliates, to customers throughout the United States. Defendant Samsung SDI dominated and  
9 controlled the finances, policies, and affairs of Samsung SDI America.  
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11 25. Defendant Samsung SDI Mexico S.A. de C.V. ("Samsung SDI Mexico") is a  
12 Mexican company with its principal place of business located at Blvd. Los Olivos, No.21014,  
13 Parque Industrial El Florido, Tijuana, B.C. Mexico. Samsung SDI Mexico is a wholly-owned  
14 and controlled subsidiary of Defendant Samsung SDI. During the Relevant Period, Samsung SDI  
15 Mexico manufactured, marketed, sold and/or distributed CRTs to customers, either directly or  
16 indirectly through its subsidiaries or affiliates, throughout the United States. Defendant Samsung  
17 SDI dominated and controlled the finances, policies, and affairs of Samsung SDI Mexico.  
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19 26. Defendant Samsung SDI Brasil Ltda. ("Samsung SDI Brazil") is a Brazilian  
20 company with its principal place of business located at Av. Eixo Norte Sul, S/N, Distrito  
21 Industrial, 69088-480 Manaus, Amazonas, Brazil. Samsung SDI Brazil is a wholly-owned and  
22 controlled subsidiary of Defendant Samsung SDI. During the Relevant Period, Samsung SDI  
23 Brazil manufactured, marketed, sold and/or distributed CRTs to customers, either directly or  
24 indirectly through its subsidiaries or affiliates, throughout the United States. Defendant Samsung  
25 SDI dominated and controlled the finances, policies, and affairs of Samsung SDI Brazil.  
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1           27. Defendant Shenzhen Samsung SDI Co., Ltd. ("Samsung SDI Shenzhen") is a  
2 Chinese company with its principal place of business located at Huanggang Bei Lu, Futian Gu,  
3 Shenzhen, China. Samsung SDI Shenzhen is a wholly-owned and controlled subsidiary of  
4 Defendant Samsung SDI. During the Relevant Period, Samsung SDI Shenzhen manufactured,  
5 marketed, sold and/or distributed CRTs, either directly or indirectly through its subsidiaries or  
6 affiliates, to customers throughout the United States. Defendant Samsung SDI dominated and  
7 controlled the finances, policies, and affairs of Samsung SDI Shenzhen.  
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9           28. Defendant Tianjin Samsung SDI Co., Ltd. ("Samsung SDI Tianjin") is a Chinese  
10 company with its principal place of business located at Developing Zone of Yi-Xian Park,  
11 Wuqing County, Tianjin, China. Samsung SDI Tianjin is a wholly-owned and controlled  
12 subsidiary of Defendant Samsung SDI. During the Relevant Period, Samsung SDI Tianjin  
13 manufactured, marketed, sold and/or distributed CRTs, either directly or indirectly through its  
14 subsidiaries or affiliates, to customers throughout the United States. Defendant Samsung SDI  
15 dominated and controlled the finances, policies, and affairs of Samsung SDI Tianjin.  
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17           29. Defendant Samsung SDI (Malaysia) Sdn. Bhd. ("Samsung SDI Malaysia") is a  
18 Malaysian company with its principal place of business located at Lot 635 & 660, Kawasan  
19 Perindustrian, Tuanku, Jaafar, 71450 Sungai Gadut, Negeri Semblian Darul Khusus, Malaysia.  
20 Samsung SDI Malaysia is a wholly-owned and controlled subsidiary of Defendant Samsung SDI.  
21 During the Relevant Period, Samsung SDI Malaysia manufactured, marketed, sold and/or  
22 distributed CRTs, either directly or indirectly through its subsidiaries or affiliates, to customers  
23 throughout the United States. Defendant Samsung SDI dominated and controlled the finances,  
24 policies, and affairs of Samsung SDI Malaysia.  
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1           30. Defendants SEC, SEAI, Samsung SDI, Samsung SDI America, Samsung SDI  
2 Mexico, Samsung SDI Brazil, Samsung SDI Shenzhen, Samsung SDI Tianjin, and Samsung SDI  
3 Malaysia are referred to collectively herein as “Samsung.”

4           31. Defendant Toshiba Corporation is a Japanese corporation with its principal place  
5 of business at 1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-8001, Japan. In 2001, Toshiba  
6 Corporation held a 5-10 % worldwide market share for CRTs used in televisions and computer  
7 monitors. In 2002, Toshiba Corporation entered into a joint venture with Defendant Panasonic  
8 Corporation called MT Picture Display Co. (“MTPD”), Ltd. in which the entities consolidated  
9 their CRT businesses. During the Relevant Period, Toshiba Corporation manufactured, marketed,  
10 sold and/or distributed CRTs and CRT Products, either directly or indirectly through its  
11 subsidiaries or affiliates, to customers throughout the United States.

12           32. Defendant Toshiba America, Inc. (“Toshiba America”) is a Delaware corporation  
13 with its principal place of business located at 1251 Avenue of the Americas, Suite 4110, New  
14 York, NY 10020. Toshiba America is a wholly-owned and controlled subsidiary of Defendant  
15 Toshiba Corporation. During the Relevant Period, Toshiba America manufactured, marketed,  
16 sold and/or distributed CRT Products, either directly or indirectly through its subsidiaries or  
17 affiliates, to customers throughout the United States. Defendant Toshiba Corporation dominated  
18 and controlled the finances, policies, and affairs of Toshiba America.

19           33. Defendant Toshiba America Consumer Products, LLC (“TACP”) is  
20 headquartered in 82 Totawa Rd., Wayne, New Jersey 07470-3114. TACP is a wholly-owned and  
21 controlled subsidiary of Defendant Toshiba Corporation through Toshiba America. During the  
22 Relevant Period, TACP manufactured, marketed, sold and/or distributed CRT Products, either  
23 directly or indirectly through its subsidiaries or affiliates, to customers throughout the United  
24 States.



1 States. Defendant Toshiba Corporation dominated and controlled the finances, policies, and  
2 affairs of TACP.

3 34. Defendant Toshiba America Information Systems, Inc. ("TAIS") is a California  
4 corporation with its principal place of business located at 9740 Irvine Blvd., Irvine, California  
5 92718. TAIS is a wholly-owned and controlled subsidiary of Toshiba Corporation through  
6 Toshiba America. During the Relevant Period, TAIS manufactured, marketed, sold and/or  
7 distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to  
8 customers throughout the United States. Defendant Toshiba Corporation dominated and  
9 controlled the finances, policies, and affairs of TAIS.  
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11 35. Defendant Toshiba America Electronic Components, Inc. ("TAEC") is a  
12 California corporation with its principal place of business located at 9775 Toledo Way, Irvine,  
13 California 92618, and 19000 MacArthur Boulevard, Suite 400, Irvine, California 92612. TAEC  
14 is a wholly-owned and controlled subsidiary of Toshiba America, which is a holding company  
15 for Defendant Toshiba Corporation. TAEC is the North American sales and marketing  
16 representative for Defendant MTPD. Before MTPD's formation in 2003, TAEC was the North  
17 American engineering, manufacturing, marketing and sales arm of Defendant Toshiba  
18 Corporation. During the Relevant Period, TAEC manufactured, marketed, sold and/or distributed  
19 CRTs and CRT Products, either directly or indirectly through its subsidiaries or affiliates, to  
20 customers throughout the United States. Defendant Toshiba Corporation dominated and  
21 controlled the finances, policies, and affairs of TAEC.  
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23 36. Defendants Toshiba Corporation, Toshiba America, TACP, TAIS, and TAEC are  
24 referred to collectively herein as "Toshiba."  
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1           37. Defendant MT Picture Display Co., Ltd. ("MTPD") was established as a CRT  
2 joint venture between Defendants Panasonic Corporation and Toshiba Corporation. MTPD is a  
3 Japanese entity with its principal place of business located at 1-1, Saiwai-cho, Takatsuki-shi,  
4 Osaka 569-1193, Japan. On April 3, 2007, Defendant Panasonic Corporation purchased the  
5 remaining stake in MTPD, making it a wholly-owned subsidiary, and renaming it MT Picture  
6 Display Co., Ltd. During the Relevant Period, MTPD manufactured, marketed, sold and/or  
7 distributed CRTs, either directly or indirectly through its subsidiaries or affiliates, to customers  
8 throughout the United States.

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10           38. Defendant Panasonic Corporation, which was at all times during the Relevant  
11 Period known as Matsushita Electric Industrial Co., Ltd. and became Panasonic Corporation on  
12 October 1, 2008, is a Japanese entity with its principal place of business located at 1006 Oaza  
13 Kadoma, Kadoma-shi, Osaka 571-8501, Japan. In 2002, Panasonic Corporation entered into a  
14 CRT joint venture with Defendant Toshiba Corporation forming Defendant MTPD. Panasonic  
15 Corporation was the majority owner of MTPD with a 64.5 percent ownership interest. On April  
16 3, 2007, Panasonic Corporation purchased the remaining 35.5 percent stake in the joint venture,  
17 making MTPD a wholly-owned subsidiary of Panasonic Corporation. During the Relevant  
18 Period, Panasonic Corporation manufactured, marketed, sold and/or distributed CRTs and CRT  
19 Products, either directly or indirectly through its subsidiaries or affiliates, to customers  
20 throughout the United States.

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22           39. Defendant Panasonic Corporation of North America ("Panasonic NA") is a  
23 Delaware corporation with its principal place of business located at One Panasonic Way,  
24 Secaucus, New Jersey. Panasonic NA is a wholly-owned and controlled subsidiary of Defendant  
25 Panasonic Corporation. During the Relevant Period, Panasonic NA manufactured, marketed, sold  
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1 and/or distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates,  
2 to customers throughout the United States. Defendant Panasonic Corporation dominated and  
3 controlled the finances, policies, and affairs of Panasonic NA.

4 40. Defendants Panasonic Corporation and Panasonic NA are collectively referred to  
5 herein as "Panasonic."

6 41. Defendant Beijing-Matsushita Color CRT Company, Ltd. ("BMCC") is a Chinese  
7 company with its principal place of business located at No. 9, Jiuxianqiao N. Rd., Dashanzi  
8 Chaoyang District, Beijing, China. BMCC is a joint venture company, 50% of which is owned  
9 by Defendant MTPD. The other 50% ownership interest is held by Beijing Orient Electronics  
10 (Group) Co., Ltd., China National Electronics Import & Export Beijing Company (a China state-  
11 owned enterprise), and Beijing Yayunchun Branch of the Industrial and Commercial Bank of  
12 China, Ltd. (a China state-owned enterprise). Formed in 1987, BMCC was Matsushita's (n/k/a  
13 Panasonic) first CRT manufacturing facility in China. BMCC is the second largest producer of  
14 CRTs in China. During the Relevant Period, BMCC manufactured, marketed, sold and/or  
15 distributed CRTs, either directly or indirectly through its subsidiaries or affiliates, to customers  
16 throughout the United States.

17 42. Defendant Hitachi, Ltd. is a Japanese company with its principal place of business  
18 located at 6-1 Marunouchi Center Building 13F, Chiyoda-ku, Tokyo 100-8280, Japan. Hitachi  
19 Ltd. is the parent company for the Hitachi brand of CRT Products. In 1996, Hitachi, Ltd.'s  
20 worldwide market share for CRTs was approximately 20 percent. During the Relevant Period,  
21 Hitachi Ltd. manufactured, marketed, sold and/or distributed CRTs and CRT Products, either  
22 directly or indirectly through its subsidiaries or affiliates, to customers throughout the United  
23 States.

1           43.       Hitachi Displays, Ltd. ("Hitachi Displays") is a Japanese company with its  
2 principal place of business located at AKS Building, 3 Kandaneibeicho 3, Chiyoda-ku, Tokyo,  
3 101-0022, Japan. In 2002, all the departments of planning, development, design, manufacturing  
4 and sales concerned with the display business of Hitachi, Ltd. were spun off to create a separate  
5 company called Hitachi Displays, Ltd. Hitachi Displays, Ltd. was originally established as  
6 Mobara Works of Hitachi, Ltd. in Mobara City, Japan, in 1943. During the Relevant Period,  
7 Hitachi Displays and its predecessor companies manufactured, marketed, sold and/or distributed  
8 CRTs and CRT Products, either directly or indirectly through its subsidiaries or affiliates, to  
9 customers throughout the United States. Defendant Hitachi, Ltd. dominated and controlled the  
10 finances, policies, and affairs of Hitachi Displays.  
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12           44.       Hitachi Electronic Devices (USA), Inc. ("HEDUS") is a Delaware corporation  
13 with its principal place of business located as 1000 Hurricane Shoals Road, Ste. D-100,  
14 Lawrenceville, GA 30043. HEDUS is a subsidiary of Defendant Hitachi, Ltd. During the  
15 Relevant Period, HEDUS manufactured, marketed, sold and/or distributed CRTs to customers,  
16 either directly or indirectly through its subsidiaries or affiliates, to customers throughout the  
17 United States. Defendant Hitachi, Ltd. dominated and controlled the finances, policies, and  
18 affairs of HEDUS during the Relevant Period.  
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20           45.       Defendant Hitachi America, Ltd. ("Hitachi America") is a New York company  
21 with its principal place of business located at 2000 Sierra Point Parkway, Brisbane, California  
22 94005. Hitachi America is a wholly-owned and controlled subsidiary of Defendant Hitachi, Ltd.  
23 During the Relevant Period, Hitachi America sold and/or distributed CRTs and CRT Products,  
24 either directly or indirectly through its subsidiaries or affiliates, to customers throughout the  
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28

1 United States. Defendant Hitachi, Ltd. dominated and controlled the finances, policies, and  
2 affairs of Hitachi America during the Relevant Period.

3 46. Defendant Hitachi Asia, Ltd. ("Hitachi Asia") is a Singapore company with its  
4 principal place of business located at 16 Collyer Quay, #20-00 Hitachi Tower, Singapore,  
5 049318. Hitachi Asia is a wholly-owned and controlled subsidiary of Defendant Hitachi, Ltd.  
6 During the Relevant Period, Hitachi Asia manufactured, marketed, sold and/or distributed CRTs  
7 and CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers  
8 throughout the United States. Defendant Hitachi, Ltd. dominated and controlled the finances,  
9 policies, and affairs of Hitachi Asia during the Relevant Period.  
10

11 47. Defendants Hitachi Ltd., Hitachi Displays, HEDUS, Hitachi America, and Hitachi  
12 Asia are collectively referred to herein as "Hitachi."  
13

14 48. Defendant Chunghwa Picture Tubes Ltd. ("CPT") is a Taiwanese company with  
15 its principal place of business located at 1127 Heping Road, Bade City, Taoyuan, Taiwan.  
16 During the Relevant Period, CPT manufactured, marketed, sold and/or distributed CRTs, both  
17 directly and through its wholly-owned and controlled subsidiaries in Malaysia, China, and  
18 Scotland, to customers throughout the United States.  
19

20 49. Defendant CPTF Optronics Co., Ltd. ("CPTF") is a Chinese company with its  
21 principal place of business located at NO.1 Xing Ye Road, Mawei Hi-tech Development Zone,  
22 Fuzhou, China. During the Relevant Period, CPTF manufactured, marketed, sold and/or  
23 distributed CRTs, either directly or indirectly through its subsidiaries or affiliates, to customers  
24 throughout the United States. Defendant CPT dominated and controlled the finances, policies,  
25 and affairs of CPTF during the Relevant Period.  
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1           50. Defendant Chunghwa Picture Tubes (Malaysia) Sdn. Bhd. (“Chunghwa  
2 Malaysia”) is a Malaysian company with its principal place of business located at Lot 1, Subang  
3 Hi-Tech Industrial Park, Batu Tiga, 4000 Shah Alam, Selangor Darul Ehsan, Malaysia.  
4 Chunghwa Malaysia a wholly-owned and controlled subsidiary of Defendant Chunghwa Picture  
5 Tubes. Chunghwa Malaysia is a leading worldwide supplier of CRTs. During the Relevant  
6 Period, Chunghwa Malaysia manufactured, marketed, sold and/or distributed CRTs, either  
7 directly or indirectly through its subsidiaries or affiliates, to customers throughout the United  
8 States. Defendant CPT dominated and controlled the finances, policies, and affairs of Chunghwa  
9 Malaysia during the Relevant Period.  
10

11           51. Defendants CPT, CPTF, and Chunghwa Malaysia are collectively referred to  
12 herein as “Chunghwa.”  
13

14           52. Defendant IRICO Group Corporation (“IGC”) is a Chinese corporation with its  
15 principal place of business located at 1 Caihong Rd., Xianyang City, Shaanxi Province 712021.  
16 IGC is the parent company for multiple subsidiaries engaged in the manufacture, marketing, sale  
17 and/or distribution of CRTs. During the Relevant Period, IGC manufactured, marketed, sold  
18 and/or distributed CRTs, either directly or indirectly through its subsidiaries or affiliates, to  
19 customers throughout the United States.  
20

21           53. Defendant IRICO Display Devices Co., Ltd. (“IDDC”) is a Chinese company  
22 with its principal place of business located at No. 16, Fenghui South Road West, District High-  
23 tech Development Zone, Xi’an, SXI 710075. IDDC is a partially-owned subsidiary of Defendant  
24 IGC. In 2006, IDDC was China’s top CRT maker. During the Relevant Period, IDDC  
25 manufactured, marketed, sold and/or distributed CRTs, either directly or indirectly through its  
26  
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28

1 subsidiaries or affiliates, to customers throughout the United States. Defendant IGC dominated  
2 and controlled the finances, policies and affairs of IDDC.

3 54. Defendant IRICO Group Electronics Co., Ltd. ("IGE") is a Chinese company with  
4 its principal place of business located at 1 Caihong Rd., Xianyang City, Shaanxi Province  
5 712021. IGE is a subsidiary of Defendant IGC. According to its website, IGE was the first CRT  
6 manufacturer in China and one of the leading global manufacturers of CRTs. Their website also  
7 claims that in 2003, they were the largest CRT manufacturer in China in terms of production and  
8 sales volume, sales revenue and aggregated profit and taxation. During the Relevant Period, IGE  
9 manufactured, marketed, sold and/or distributed CRTs, either directly or indirectly through its  
10 subsidiaries or affiliates, to customers throughout the United States. Defendant IGC dominated  
11 and controlled the finances, policies and affairs of IGE.  
12

13  
14 55. Defendants IGC, IDDC, and IGE are collectively referred to herein as "IRICO."

15 56. Defendant Thai CRT Company, Ltd. ("Thai CRT") is a Thai company with its  
16 principal place of business located at 1/F Siam Cement Road, Bangsue Dusit, Bangkok,  
17 Thailand. Thai CRT is a subsidiary of Siam Cement Group. During the Relevant Period, Thai  
18 CRT manufactured, marketed, sold and/or distributed CRTs, either directly or indirectly through  
19 its subsidiaries or affiliates, to customers throughout the United States.  
20

21 57. Defendant Samtel Color, Ltd. ("Samtel") is an Indian company with its principal  
22 place of business located at 52, Community Centre, New Friends Colony, New Delhi-110065.  
23 Samtel is India's largest exporter of CRTs. During the Relevant Period, Samtel manufactured,  
24 marketed, sold and/or distributed CRTs, either directly or indirectly through its subsidiaries or  
25 affiliates, to customers throughout the United States.  
26  
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28

**E. CO-CONSPIRATORS AND AGENTS**

58. Various other Persons, unknown to the State of Florida at the present, conspired with the Defendants in the violations of law alleged in this Complaint. These co-conspirators engaged in conduct and made statements in furtherance of the conspiracy.

59. Any reference in this Complaint to any act, deed, or transaction by a corporation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, agents, employees, or representatives while they were actively engaged in the management, direction, control, or transaction of the corporation's business or affairs.

60. Defendants are also liable for acts done in furtherance of the alleged conspiracy by companies they acquired through mergers or acquisitions.

61. Each of the Defendants named herein acted as the agent or joint venturer of or for the other Defendants with respect to the acts, violations, and common course of conduct alleged herein.

**F. INTERSTATE TRADE AND COMMERCE**

62. Throughout the period of time covered by this Complaint, Defendants and their co-conspirators engaged in the business of manufacturing, marketing, and selling CRTs in a continuous and uninterrupted flow of interstate and foreign trade and commerce to consumers located in Florida and the United States.

63. The price-fixing activities complained of herein were within the flow of and substantially affected interstate trade and commerce, as well as trade and commerce within the State of Florida.

64. Defendants' conduct had a direct, substantial, and reasonably foreseeable effect on domestic interstate commerce within the United States, including Florida. These effects



1 proximately caused the domestic injuries alleged in this complaint in that governmental  
2 purchasers, businesses, consumers, and other end-payors paid more for CRT Products than they  
3 would have absent the conspiracy.

4  
5 65. Defendants' conspiracy specifically targeted the United States market. The United  
6 States has been and remains one of the most important markets for the ultimate consumption of  
7 CRT Products, and therefore accounts for a significant portion of Defendants' revenue.

8 66. The effect of Defendants' anticompetitive conduct (higher prices for CRT  
9 Products) did not change in any substantial way between the beginning of the process  
10 (overcharges for CRTs) and the end (overcharges for CRT monitors and televisions). Thus, the  
11 effect on prices proceeded without deviation or interruption from the CRT manufacturer to the  
12 United States retail store. Therefore, there is a domestic injury here that is concrete, quantifiable  
13 and directly traceable back to the Defendants' anticompetitive conduct.

14  
15 67. Most of the Defendants and/or their affiliates maintained corporate offices in the  
16 United States. Most of the Defendants had marketing, sales, and account management personnel  
17 specifically designated or designed to handle United States customer accounts and the United  
18 States market for CRTs and/or CRT Products. For example, most of the Defendants, if not all,  
19 sponsored advertising within the United States for the purpose of maintaining and increasing  
20 CRT Product sales and provided other marketing support.

21  
22 68. Defendants sold billions of dollars of price-fixed CRTs and products containing  
23 price-fixed CRTs to the United States and to OEMs that sold CRT Products directly into the  
24 United States. Those OEMs manufactured millions of CRT Products destined for sale in the  
25 United States.

26  
27 69. In furtherance of the conspiracy, Defendants regularly monitored "street prices"  
28



1 or retail prices of CRT Products, including those in the United States, to ensure that the cartel  
2 had set profit-maximizing prices for CRTs.

3 70. Defendants' price-fixing activities directly and substantially affected the price of  
4 CRTs and CRT Products purchased in the United States, including Florida. Defendants  
5 intentionally sent price-fixed CRTs into a stream of commerce destined for the United States  
6 with the expectation of producing a substantial adverse effect in the United States, and within  
7 Florida, in the form of inflated prices for CRTs and CRT Products. The artificial inflation of  
8 prices for CRT Products was a foreseeable and immediate consequence of Defendants' illegal  
9 activities. Accordingly, Defendants' unlawful conduct directly and substantially affected the  
10 price of CRT Products and unreasonably restrained commerce within Florida.  
11

12  
13 71. Defendants' conspiracy also affected the activities of the Defendants, which in  
14 turn had a substantial effect on interstate commerce, as well as trade and commerce within the  
15 State of Florida.  
16

## 17 **G. FACTUAL BACKGROUND**

### 18 **a. CRT Background**

19 72. CRT technology was developed over a century ago. A commercially practical  
20 CRT television was first made in 1931 but it was only after the RCA Corporation introduced the  
21 product at the 1939 World's Fair that it became widely available to consumers. Since that time,  
22 CRTs have become commonplace, and are widely used in many display products, including  
23 televisions, computer monitors, oscilloscopes, air traffic control monitors, and ATMs. Large  
24 public displays, such as scoreboards at sports arenas, can consist of thousands of individual  
25 single color CRTs.  
26

27 73. During the Relevant Period, this meant sales of millions of CRTs and products  
28 containing CRTs which resulted in billions of dollars in annual profits to the Defendants.

**b. CRT Market Dynamics**

74. The CRT market is structurally conducive to the type of collusion alleged in this Complaint because of characteristics such as market concentration, ease of information sharing, the consolidation of manufacturers, multiple interrelated business relationships, significant barriers to entry, maturity of the CRT market, and the homogeneity of products.

**i. Market Concentration**

75. During the Relevant Period, the CRT industry was dominated by relatively few companies. In 2004, Samsung SDI, LG.Philips Displays, MTPD and Chunghwa together held a collective 78% share of the global CRT market. This high degree of market concentration has facilitated coordination since there are fewer cartel members among which to coordinate pricing or allocate markets, making it easier to monitor the pricing and production of the cartel members.

**ii. Information Sharing**

76. There have been frequent opportunities for Defendants to discuss and exchange competitive information: common membership in trade associations for the CRTs market and related markets (e.g., TFT-LCD); interrelated business arrangements (i.e. joint ventures); allegiances between companies in certain countries; and relationships between the executives of certain companies. Communications between Defendants took place through the use of meetings, telephone calls, e-mails, and instant messages. Defendants took advantage of these opportunities to discuss and agree upon their pricing for CRTs.

77. Defendants Chunghwa, Hitachi, and Samsung are all members of the Society for Information Display. Defendants Samsung and LGE are two of the co-founders of the Korea Display Industry Association. Similarly, LGE, LG.Philips Displays, and Samsung were all members of the Electronic Display Industrial Research Association. Plaintiff believes that

1 Defendants discussed and agreed upon pricing for CRTs under the guise of these trade  
2 associations. Defendants implemented and monitored the conspiracy by exchanging proprietary  
3 and competitively sensitive information at these trade association meetings.

4  
5 **iii. Consolidation**

6 78. The CRT Product industry also experienced a significant degree of consolidation  
7 during the Relevant Period, including, but not limited to: (a) the creation of LG.Philips Displays  
8 in 2001 as a joint venture between Royal Philips and LGE.; and (b) the 2002 merger of Toshiba  
9 Corporation and Matsushita/Panasonic's CRT business into MTPD.

10 79. Defendants also consolidated their manufacturing facilities in lower cost venues,  
11 such as China, and reduced manufacturing capacity to artificially inflate prices.

12  
13 **iv. Multiple Interrelated Business Relationships**

14 80. Multiple business relationships between Defendants have blurred the lines of  
15 competition and provided ample opportunity for Defendants in the interconnected CRT industry  
16 to collude. These business relationships have also created a unity of interest among competitors,  
17 making the conspiracy easier to implement and to enforce than without such relationships.

18 81. The high degree of cooperation among Defendants in the CRTs market include  
19 the following:

20  
21 a. The formation of the CRT joint venture LG.Philips Displays in 2001 by  
22 Defendants LGE and Royal Philips.

23 b. The formation of the CRT joint venture MTPD in 2003 by Defendants  
24 Toshiba Corporation and Panasonic Corporation.

25 c. In 1995, Defendant Chunghwa entered into a technology transfer  
26 agreement with Defendant Toshiba for large CRTs.  
27  
28

1 d. Defendant Samtel claims to have supplied CRTs to Defendants LG,  
2 Samsung, Philips, and Panasonic.

3 **v. High Costs of Entry into the Industry**

4 82. To potential newcomers, the CRT industry presents substantial barriers to entry,  
5 which would require substantial time, resources, and industry knowledge. It is extremely  
6 unlikely that, at this point in time, a new producer would want to try to enter the CRT market in  
7 light of the declining demand for CRT Products.  
8

9 **vi. The Maturity of the CRT Product Market**

10 83. Typical characteristics of a new industry include rapid growth, frequent  
11 innovation, and high profits. A mature industry, such as the CRT market, is characterized by slim  
12 profit margins, which create a strong motivation for competitors to collude.  
13

14 84. CRT monitors accounted for 94.5 percent of the retail market for computer  
15 monitors in North America in 1999. Although that figure had dropped to 73 percent by 2002, it  
16 was still a substantial share of the market.  
17

18 85. CRT televisions accounted for 73 percent of the North American television  
19 market in 2004 and still held a 46 percent market share at the end of 2006. Globally, CRT  
20 televisions accounted for 75 percent of TV units in 2006.

21 **vii. Homogeneity of CRT Products**

22 86. CRTs are commodity-like products that are manufactured in standardized sizes.  
23 One Defendant's CRT for a particular application, such as a particular size television or  
24 computer monitor, would be substitutable for another's. Defendants sold and Plaintiff purchased  
25 CRT Products primarily on the basis of price.  
26  
27  
28

1        87.        Forming and sustaining a cartel is easier when the product in question is  
2 commodity-like because it is easier to come to an agreement on prices to charge and to monitor  
3 the agreed-upon prices.

4  
5                    **c. Pre-Conspiracy Market**

6        88.        In the late 1980s, the CRTs business became more international and Defendants  
7 began to serve customers that were also being served by other international companies. At this  
8 time, the employees of Defendants would encounter employees from their competitors when  
9 visiting their customers, and a culture of cooperation developed, whereby these employees would  
10 exchange market information on production, capacity, and customers.

11  
12                    **H. DEFENDANTS' ANTICOMPETITIVE CONDUCT**

13        89.        Upon information and belief, during a time when the demand for CRT products  
14 was declining, Defendants and their co-conspirators engaged in a contract, combination, trust, or  
15 conspiracy in order to control and maintain profitable prices of CRTs. The effect of this unlawful  
16 behavior has been to raise, fix, maintain, and/or stabilize the prices at which Defendants and co-  
17 conspirators sold CRTs to artificially inflated levels from at least March 1, 1995, through at least  
18 November 25, 2007.

19  
20        90.        The conspiracy for CRTs was carried out through a combination of group and  
21 bilateral meetings. Initially, from 1995-1996, informal bilateral discussions were the primary  
22 method of communication between Defendants and occurred on an ad hoc basis. During this  
23 period, representatives from Defendants LG and Samsung visited the other Defendant  
24 manufacturers, including Philips, Chunghwa, Thai CRT, Hitachi, Toshiba, and Panasonic, to  
25 discuss raising prices for CRTs generally and to specific customers. These meetings took place  
26 in Taiwan, Thailand, Japan, Malaysia, Indonesia, and Singapore.

91. Defendants Samsung, Chunghwa and LG also attended several ad hoc group meetings during this period. The participants at these group meetings discussed increasing prices for CRTs.

92. Group meetings became more prevalent as more manufacturers formally entered the conspiracy. Beginning in 1997, Defendants began to meet in a more organized, systematic fashion, and a formal system of multilateral and bilateral meetings was put in place. Defendants' representatives attended hundreds of these meetings during the Relevant Period.

93. The overall CRT conspiracy raised and stabilized worldwide prices (including United States prices) that Defendants charged for CRTs.

### **i. Glass Meetings**

94. Defendants held meetings at secret locations, and discussed price forecasts, volume, allocation, and supply and demand for CRTs (“Glass Meetings”).

95. At these meetings, Defendants agreed to fix the price of CRTs and reduce the output of CRTs. Defendants exchanged information on inventories, production, sales, and exports. This information was exchanged in ways designed to enable the attendees to agree on what the price should be for CRTs.

96. All Glass Meetings, as detailed below, had a fairly similar structure. The attendees first exchanged competitive information, such as proposed future CRT pricing, sales volume, inventory levels, production capacity, exports, customer orders, price trends, and forecasts of sales volumes for coming months. The attendees also updated previously provided information. At each meeting, one attendee was designated as "Chairman," which was a rotating position, who then wrote the information provided on a whiteboard. The attendees then used this information to discuss and agree upon what price each would charge for CRTs in the following



1 month or quarter. Target prices, price increases, so-called “bottom” prices, and price ranges for  
2 CRTs were discussed and agreed upon. The attendees also discussed and agreed upon prices of  
3 CRTs that were sold to specific customers, and agreed upon target prices to be used in  
4 negotiations with large customers. Having analyzed the supply and demand of CRTs, the  
5 attendees would also discuss and agree upon production output of CRTs. During periods of  
6 oversupply of CRTs, the focus of the attendees turned to making controlled and coordinated  
7 price reductions, referred to as setting a “bottom price.”

9       97.     Top Meetings, the first level of Glass Meetings, were attended by high-level  
10 company executives including CEOs, Presidents, and Vice Presidents and occurred less  
11 frequently, generally quarterly. Because the attendees at Top Meetings were the decision-makers,  
12 and because they had more reliable information, these meetings resulted in price-fixing  
13 agreements of CRTs. Top Meetings were focused on making long-term agreements and  
14 enforcing compliance of the cartel’s agreements, as well as resolving disputes.

16       98.     Management Meetings, the second level of meetings, were attended by the  
17 Defendants’ high level sales managers and typically occurred monthly. Attendees at  
18 Management Meetings handled the implementation of the agreements made at Top Meetings.

20       99.     Working Level Meetings, the third level of meetings, were attended by lower  
21 level sales and marketing employees, and generally took place weekly or monthly. Working  
22 Level Meetings were mostly limited to exchanging information and discussing pricing of CRTs  
23 because these lower-level employees did not have authority to enter into agreements. The  
24 attendees transmitted the competitive information received at meetings up the corporate ladder to  
25 those employees with pricing authority. Working Level Meetings were more localized and  
26 generally took place near Defendants’ factories, so that the Taiwanese manufacturers’ employees  
27  
28



1 met in Taiwan, the Korean manufacturers' employees met in Korea, the Chinese in China,  
2 among others.

3 100. The Chinese Glass Meetings began in 1998 and occurred monthly following a  
4 Top or Management Meeting. The principal purpose of these meetings was to report to the  
5 Chinese manufacturers what had been decided at the most recent Glass Meeting. Participants at  
6 the Chinese meetings included the manufacturers located in China, such as IRICO and BMCC,  
7 as well as the China-based branches of the other Defendants, including, but not limited to,  
8 Samsung SDI Shenzhen, Samsung SDI Tianjin, and CPTF.  
9

10 101. Occasionally, Glass Meetings also occurred in various European countries.  
11 Attendees at these meetings included Defendants with subsidiaries and/or manufacturing  
12 facilities located in Europe, including Philips, LG, Chunghwa, Samsung and IRICO.  
13

14 102. Glass Meetings occurred in Taiwan, South Korea, Europe, China, Singapore,  
15 Japan, Indonesia, Thailand, and Malaysia during the Relevant Period.

16 103. Examples of specific agreements reached at the Glass Meetings include, but are  
17 not limited to, the following:  
18

- 19 a. agreements on CRT prices, including establishing target prices, "bottom"  
20 prices, price ranges, and price guidelines;
- 21 b. placing agreed-upon price differentials on various attributes of CRTs, such  
22 as quality or certain technical specifications;
- 23 c. agreements on pricing for intra-company CRT sales to vertically  
24 integrated customers;
- 25 d. agreements as to what to tell customers about the reason for a price  
26 increase;  
27  
28

1 e. agreements to coordinate with competitors that did not attend the group  
2 meetings and agreements with them to abide by the agreed-upon pricing;

3 f. agreements to coordinate pricing with CRT manufacturers in other  
4 geographic markets such as Brazil, Europe, and India;

5 g. agreements to exchange pertinent information regarding shipments,  
6 capacity, production, prices, and customers demands;

7 h. agreements to coordinate uniform public statements regarding available  
8 capacity and supply;

9 i. agreements to allocate both overall market shares and share of a particular  
10 customer's purchases;

11 j. agreements to allocate customers;

12 k. agreements regarding capacity, including agreements to restrict output and  
13 to audit compliance with such agreements; and

14 l. agreements to keep their meetings secret.

15 104. Defendants also agreed on the prices at which some of the Defendants would sell  
16 CRTs to their own corporate subsidiaries and affiliates that manufactured the end products, i.e.  
17 televisions and computer monitors. Defendants were aware that it was important to keep internal  
18 pricing to their affiliated OEMs at a high enough level to support the high CRT prices set for  
19 other OEMs in the market. By keeping both prices at the same levels, Defendants ensured that all  
20 direct-purchaser OEMs paid supracompetitive prices for CRTs.

21 105. Defendants knew and discussed at Glass Meetings the significant impact that the  
22 price of CRTs had on the cost of the finished CRT Products. Upon information and belief, and  
23 similar to CRTs, the market for CRT Products was a mature one and profit margins were slim.  
24

1 Therefore, Defendants concluded that they needed to make their price increase on CRTs high  
2 enough so that their direct customers (CRT television and monitor manufacturers) would be able  
3 to justify a corresponding price increase to their customers. Defendants thus ensured that price  
4 increases for CRTs were passed on to indirect purchasers of CRT Products.

5  
6 106. Defendants monitored each other's adherence to these agreements in several  
7 ways. For example, Defendants sought confirmation of pricing both from customers and from  
8 employees of the Defendants themselves. Cheating, when it did occur, was addressed in at least  
9 four different ways: 1) monitoring; 2) attendees at meetings challenging other attendees for not  
10 abiding by an agreement; 3) threatening to undermine a competitor at one of its principal  
11 customers; and 4) recognizing that there was a mutual interest in abiding by the target price and  
12 the agreements that had been made.  
13

14 107. Defendants' collusion was possible and extremely successful because of the  
15 nature of the CRT industry, which included high concentration, barriers to entry, standardized  
16 products, cooperative arrangements, information exchanges, and because of the blatant nature of  
17 the terms of the conspiracy.  
18

19 108. Additionally, "Green Meetings" were meetings held on golf courses, which were  
20 generally attended by top and management level employees of the Defendants.

21 **ii. Bilateral Meetings and Communications**

22 109. Throughout the Relevant Period, Defendants supplemented their group meetings  
23 with bilateral discussions. These bilateral discussions occurred on a frequent, ad hoc basis, often  
24 in-between the group meetings, and were more informal than the group meetings. These  
25 discussions usually took place between sales and marketing employees and consisted of in-  
26 person meetings, telephone calls, and/or e-mails.  
27  
28

1       110. Defendants had bilateral discussions in order to exchange information about past  
2 and future pricing, confirm production levels, share sales order information, confirm pricing  
3 rumors, and coordinate pricing with manufacturers in other geographic locations, including  
4 Brazil, Mexico and Europe.

5  
6       111. Defendants also engaged bilateral discussions during price negotiations with  
7 customers. To avoid being persuaded by customers to lower their prices, supervisors took into  
8 account the information gained from these communications in determining the price to offer to a  
9 customer.

10       112. Upon information and belief, bilateral meetings supplemented group meetings and  
11 were used to coordinate pricing. Frequently, shortly after a Top or Management Meeting,  
12 Defendants that had attended these meetings would meet bilaterally with non-attending  
13 manufacturers to inform them of the CRT pricing and/or output agreements that had been  
14 reached during the group meeting. For example, Samsung had a relationship with Hitachi and  
15 was responsible for communicating CRT pricing agreements to Hitachi. LG had a relationship  
16 with Toshiba and was responsible for communicating CRT pricing agreements to Toshiba.  
17 Similarly, Thai CRT had a relationship with Samtel and was responsible for communicating  
18 CRT pricing agreements to Samtel. After these meetings, Hitachi, Toshiba, and Samtel  
19 implemented the agreed-upon pricing. Hitachi and Toshiba occasionally attended the Glass  
20 Meetings. Thus, Hitachi, Toshiba, and Samtel participated in the conspiracy to fix the prices of  
21 CRTs.  
22  
23  
24

25       **iii. Defendants' and Co-Conspirators' Participation in Group and Bilateral Discussions**

26       113. Beginning in 1995, examples of Defendants' participation in Glass Meetings and  
27 bilateral communications include, but are not limited to, the following:  
28

1           a.       From at least 1995 through 2007, Defendant Samsung, through Samsung  
2       SDI, Samsung SDI Malaysia, Samsung SDI Shenzhen, and Samsung SDI Tianjin,  
3       Samsung SDI America, Samsung SDI Brazil, and Samsung SDI Mexico, participated in  
4       200 or more Glass Meetings at all levels. A substantial number of the meetings were  
5       attended by high ranking Samsung executives. In addition, Samsung regularly engaged in  
6       bilateral discussions with each of the other Defendants. Through these discussions,  
7       Samsung agreed on prices and supply levels for CRTs.

8           b.       Defendants SEC and SEAI participated or were represented in the Glass  
9       Meetings and became an important part of the agreements entered into at the Glass  
10      Meetings. To the extent Samsung entities sold and/or distributed CRT Products, they had  
11      an important role in the conspiracy since Defendants wanted to ensure that the prices for  
12      CRT Products paid by direct purchasers would not undercut the CRT pricing agreements  
13      reached at the Glass Meetings. Thus, SEC and SEAI were active participants in the  
14      alleged conspiracy.

15          c.       From at least 1995 through 2001, Defendant LG, through LGE,  
16      participated in 100 or more Glass Meetings at all levels. After 2001, LG participated in  
17      the CRT conspiracy through its joint venture with Royal Philips, LG.Philips Displays. A  
18      substantial number of these meetings were attended by high-ranking LG executives. LG  
19      also engaged in bilateral discussions with each of the other Defendants on a regular basis.  
20      Through these discussions, LG agreed on prices and supply levels for CRTs.

21          d.       Defendants LGEUSA and LGETT participated or were represented in the  
22      Glass Meetings and became an important part of the agreements entered into at the Glass  
23      Meetings. To the extent LG entities sold and/or distributed CRT Products, they had an  
24

1 important role in the conspiracy since Defendants wanted to ensure that the prices for  
2 CRT Products paid by direct purchasers would not undercut the CRT pricing agreements  
3 reached at the Glass Meetings. Thus, LGEUSA and LGETT were active participants in  
4 the alleged conspiracy. After 2001, LG participated in the CRT conspiracy through its  
5 joint venture with Royal Philips, LG.Philips Displays.

6  
7 e. Between at least 1996 and 2001, Defendant Philips, through Royal Philips  
8 and PENAC, participated in 100 or more Glass Meetings at all levels. After 2001, Philips  
9 participated in the alleged CRT conspiracy through its joint venture with LGE,  
10 LG.Philips Displays. A substantial number of these meetings were attended by high level  
11 executives from Philips. Philips also engaged in numerous bilateral discussions with  
12 other Defendants. Through these discussions, Philips agreed on prices and supply levels  
13 for CRTs.

14  
15 f. Defendants Philips Brazil and Philips Taiwan participated or were  
16 represented in the Glass Meetings and became an important part of the agreements  
17 entered into at the Glass Meetings. To the extent Philips entities sold and/or distributed  
18 CRT Products, they had an important role in the conspiracy since Defendants wanted to  
19 ensure that the prices for CRT Products paid by direct purchasers would not undercut the  
20 CRT pricing agreements reached at the Glass Meetings. Thus, Philips Brazil and Philips  
21 Taiwan were active participants in the alleged conspiracy. After 2001, Philips  
22 participated in the alleged CRT conspiracy through its joint venture with LGE,  
23 LG.Philips Displays.

24  
25  
26 g. From at least 1995 through 2006, Defendant Chunghwa, through CPT,  
27 CPTF, Chunghwa Malaysia, and representation from their factory in Scotland,  
28



1 participated in 100 or more Glass Meetings at all levels. A substantial number of these  
2 meetings were attended by the highest ranking executives from Chunghwa, including the  
3 former Chairman and CEO of CPT, C.Y. Lin. Chunghwa also engaged in bilateral  
4 discussions with each of the other Defendants on a regular basis. Through these  
5 discussions, Chunghwa agreed on prices and supply levels for CRTs.  
6

7 h. Between at least 1995 and 2003, Defendant Toshiba, through Toshiba  
8 Corporation and TAEC, participated in several Glass Meetings. After 2003, Toshiba  
9 participated in the CRT conspiracy through its joint venture with Panasonic Corporation,  
10 MTPD. These meetings were attended by high-level sales managers from Toshiba and  
11 MTPD. Toshiba also engaged in multiple bilateral discussions with other Defendants,  
12 particularly with LG. Through these discussions, Toshiba agreed on prices and supply  
13 levels for CRTs.  
14

15 i. Defendants Toshiba America, TACP and TAIS participated or were  
16 represented in the Glass Meetings and became an important part of the agreements  
17 entered into at the Glass Meetings. To the extent Toshiba entities sold and/or distributed  
18 CRT Products, they had an important role in the conspiracy since Defendants wanted to  
19 ensure that the prices for CRT Products paid by direct purchasers would not undercut the  
20 CRT pricing agreements reached at the Glass Meetings. Thus, Toshiba America, TACP  
21 and TAIS were active participants in the alleged conspiracy. After 2003, Toshiba  
22 participated in the CRT conspiracy through its joint venture with Panasonic Corporation,  
23 MTPD.  
24

25 j. Between at least 1996 and 2001, Defendant Hitachi, through Hitachi, Ltd.,  
26 and Hitachi America, HEDUS, Hitachi Asia, participated in several Glass Meetings  
27  
28



1 which included attendance by high-level sales managers from Hitachi. Hitachi also  
2 engaged in multiple bilateral discussions with other Defendants, particularly with  
3 Samsung. Through these discussions, Hitachi agreed on prices and supply levels for  
4 CRTs.

5 k. Defendant Hitachi Displays participated or was represented in the Glass  
6 Meetings and became an important part of the agreements entered into at the Glass  
7 Meetings. To the extent Hitachi entities sold and/or distributed CRT Products, they had  
8 an important role in the conspiracy since Defendants wanted to ensure that the prices for  
9 CRT Products paid by direct purchasers would not undercut the CRT pricing agreements  
10 reached at the Glass Meetings. Thus, Hitachi Displays was an active participant in the  
11 alleged conspiracy.  
12

13 l. Between at least 1996 and 2003, Defendant Panasonic, through Panasonic  
14 Corporation (known throughout the Relevant Period as Matsushita Electric Industrial Co.,  
15 Ltd.), participated in several Glass Meetings. After 2003, Panasonic participated in the  
16 CRT conspiracy through its joint venture with Toshiba Corporation, MTPD. These  
17 meetings were attended by high-level sales managers from Panasonic and MTPD.  
18 Panasonic also engaged in multiple bilateral discussions with other Defendants. Through  
19 these discussions, Panasonic agreed on prices and supply levels for CRTs.  
20

21 m. Defendant Panasonic NA participated or was represented in the Glass  
22 Meetings and became an important part of the agreements entered into at the Glass  
23 Meetings. To the extent Panasonic entities sold and/or distributed CRT Products, they  
24 had an important role in the conspiracy since Defendants wanted to ensure that the prices  
25 for CRT Products paid by direct purchasers would not undercut the CRT pricing  
26  
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1 agreements reached at the Glass Meetings. Thus, Panasonic NA was an active participant  
2 in the alleged conspiracy. After 2003, Panasonic participated in the CRT conspiracy  
3 through its joint venture with Toshiba Corporation, MTPD.

4 n. Between at least 2003 and 2006, Defendant MTPD participated in  
5 multiple Glass Meetings and in fact led many of these meetings during the latter years of  
6 the conspiracy. These meetings were attended by high-level sales managers from MTPD.  
7 In addition, MTPD engaged in bilateral discussions with other Defendants. Through these  
8 discussions, MTPD agreed on prices and supply levels for CRTs.  
9

10 o. From at least 1998 and 2007, Defendant BMCC participated in multiple  
11 Glass Meetings. These meetings were attended by high level sales managers from  
12 BMCC. BMCC also engaged in multiple bilateral discussions with other Defendants,  
13 particularly the other Chinese CRT manufacturers. Through these discussions, BMCC  
14 agreed on prices and supply levels for CRTs.  
15

16 p. Between at least 1998 and 2007, Defendant IRICO, through IGC, IGE,  
17 and IDDC, participated in multiple Glass Meetings. These meetings were attended by the  
18 highest ranking executives from IRICO. IRICO also engaged in multiple bilateral  
19 discussions with other Defendants, particularly with other Chinese manufacturers.  
20 Through these discussions, IRICO agreed on prices and supply levels for CRTs.  
21

22 q. From at least 1997 through 2006 Defendant Thai CRT participated in  
23 multiple Glass Meetings. These meetings were attended by the highest ranking executives  
24 from Thai CRT. Thai CRT also engaged in multiple bilateral discussions with other  
25 Defendants, particularly with Samtel. Through these discussions, Thai CRT agreed on  
26 prices and supply levels for CRTs.  
27  
28

r. From at least 1998 through 2006, Defendant Samtel participated in multiple bilateral discussions with other Defendants, particularly with Thai CRT. These meetings were attended by high level executives from Samtel. Through these discussions, Samtel agreed on prices and supply levels for CRTs.

s. When Plaintiff refers to a corporate family or companies by a single name in its allegations of participation in the conspiracy, Plaintiff is alleging that one or more employees or agents of entities within the corporate family engaged in conspiratorial meetings on behalf of every company in that family. In fact, the individual participants in the conspiratorial meetings and discussions did not always know the corporate affiliation of their counterparts, nor did they distinguish between the entities within a corporate family. The individual participants entered into agreements on behalf of, and reported these meetings and discussions to, their respective corporate families. As a result, the entire corporate family was represented in meetings and discussions by their agents and was a party to the agreements reached in them.

#### **iv. The CRT Market During the Conspiracy**

114. Until recently, CRTs were the dominant technology used in displays such as television and computer monitors. During the Relevant Period, this translated into the sale of millions of CRT Products, resulting in billions of dollars in annual profits to the Defendants.

115. The following data was reported by Stanford Resources, Inc., a market research firm focused on the global electronic display industry:

Year	Units Sold (millions)	Revenue (billion US dollars)	Average Selling Price Per Unit
1998	90.5	\$18.9	\$208
1999	106.3	\$19.2	\$181
2000	119.0	\$28.0	\$235

1           116. During the Relevant Period, North America was the largest market for CRT  
2 televisions and computer monitors. The 1995 worldwide market for CRT monitors was 57.8  
3 million units, 28 million of which (48.5 percent) were consumed in North America. By 2002,  
4 North America still consumed around 35 percent of the world's CRT monitor supply.

5  
6           117. Defendants' collusion is evidenced by unusual price behavior in the CRT Product  
7 market during the Relevant Period. Despite industry predictions that the price of CRT Products  
8 would drop, and the existence of economic conditions warranting a drop in prices, CRT Product  
9 prices remained stable.

10           118. In early 1999, despite declining production costs and the entry of flat panel  
11 display products, the price of large-sized CRTs actually increased. Although the price increase  
12 was alleged to have been based on increasing global demand, this price increase was in fact a  
13 result of the collusive conduct herein alleged.

14  
15           119. After experiencing oversupply of 17" CRTs in the second half of 1999, the  
16 average selling price of CRTs rose again in early 2000. This price increase was unlike most other  
17 PC-related products.

18  
19           120. Defendants also conspired to limit the production of CRTs by shutting down  
20 production lines for days at a time and closing or consolidating their manufacturing facilities.

21           121. For example, the Defendants' CRT factory utilization percentage fell from 90  
22 percent in the third quarter of 2000 to 62 percent in the first quarter of 2001. There were sudden  
23 drops in factory utilization throughout the Relevant Period but to a lesser degree. Upon  
24 information and belief, Plaintiff alleges that these sudden, coordinated drops in factory utilization  
25 by the Defendants were the result of Defendants' agreements to decrease output in order to  
26 stabilize the prices of CRTs.  
27  
28

1       122. Early in the Relevant Period, there were not only periods of unnatural and  
2 sustained price stability, but there were also increases in prices of CRTs. These prices increases  
3 were despite the declining demand due to the approaching obsolescence of CRTs caused by the  
4 emergence of a new, potentially superior and clearly more popular, substitutable technology.

5  
6       123. Later in the Relevant Period, while demand in the United States for CRT Products  
7 continued to decline, Defendants' conspiracy was effective in moderating the normal downward  
8 pressures on prices for CRTs caused by the entry and popularity of the new generation LCD  
9 panels and plasma display products.

10       124. The price increases and later relative price stability in the market for CRTs during  
11 the Relevant Period are inconsistent with a competitive market for a product facing rapidly  
12 decreasing demand caused by a new, substitutable technology.

13  
14                   **v. Criminal and International Proceedings**

15       125. In August 2011, Samsung SDI paid a \$32,000,000 fine to the United States  
16 Department of Justice and pled guilty to violating Section 1 of the Sherman Act by fixing prices,  
17 reducing output and allocating market shares of color display tubes from at least as early as  
18 January 1997 until at least as late as March 2006.

19  
20       126. The Samsung SDI plea agreement stated that, in furtherance of the conspiracy,  
21 Samsung SDI, through its officers and employees, engaged in discussions and attended meetings  
22 with representatives of other major color display tube producers and that in these meetings,  
23 agreements were reached to fix prices, reduce output, and allocate market shares of color display  
24 tubes to be sold in the United States and elsewhere.

25  
26       127. On February 10, 2009, a federal grand jury in San Francisco returned a two-count  
27 indictment against the former Chairman and Chief Executive Officer of Defendant CPT, Cheng  
28

1 Yuan Lin, aka C.Y. Lin, for his participation in global conspiracies to fix the prices of two types  
2 of CRTs used in computer monitors and televisions. The combination and conspiracy to fix the  
3 prices of CRTs was carried out, in part, in the Northern District of California.

4 128. In January 2011, the Korean Fair Trade Commission collectively fined Samsung  
5 SDI, CPT, Chunghwa Malaysia and CPTF approximately \$23,600,000 for agreeing to fix prices  
6 and cut production in the color display tube market from 1996 through 2006. In addition, the  
7 Korean Fair Trade Commission concluded that LG Philips Display Korea Co. Ltd. participated  
8 in the cartel.  
9

10 **I. THE PASS-THROUGH OF OVERCHARGES TO CONSUMERS**

11 129. Defendants' conspiracy to fix, raise, maintain, and/or stabilize the price of CRTs  
12 at artificial levels resulted in harm to Plaintiff because it resulted in Plaintiff paying higher prices  
13 for CRT Products than they would have paid in the absence of Defendants' conspiracy. The  
14 entire overcharge at issue was passed on to Plaintiff.  
15

16 130. The Defendants monitored the prices of CRT Products sold in the United States  
17 on a regular basis. The purpose and effect of investigating such retail market data was at least  
18 threefold. First, it permitted Defendants, such as Chunghwa, which did not manufacture CRT  
19 televisions or computer monitors (unlike Samsung, LG, Panasonic, Toshiba, Philips, and  
20 Hitachi), to police the price-fixing agreement to make sure that intra-defendant CRT sales were  
21 kept at supracompetitive levels. Second, it permitted all Defendants to police their price-fixing  
22 agreement to independent OEMs that would reduce prices for CRT Products if there was a  
23 corresponding reduction in CRT prices from a Defendant. Third, Defendants used the prices of  
24 CRT Products to analyze whether they could increase prices or should agree to a "bottom" price  
25 instead. The Defendants concluded that in order to make their illegal CRT price increases  
26  
27  
28



1 effective, they needed to make the price increase high enough that their direct customers (OEM  
2 television and monitor manufacturers) would be able to justify a corresponding price increase to  
3 their customers (i.e., retailers and computer OEMs). This way Defendants assured that 100% of  
4 the overcharges for CRTs were passed on to consumers who purchased CRT Products.

5  
6 131. The indirect purchaser consumer buys CRT Products from either a computer or  
7 television OEM such as Dell or Sharp, or a reseller such as Best Buy.

8 132. Because of the breadth of the price-fixing conspiracy, the direct purchaser CRT  
9 television and monitor manufacturers were not constrained by their competitors from passing on  
10 the overcharge. Since each of the direct purchaser's competitors were also buying CRTs at  
11 supracompetitive prices from conspiracy members, no direct purchaser faced end-product price  
12 competition from a competitor that was not paying supracompetitive prices for CRTs.

13  
14 133. The price of CRT Products is directly correlated to the price of CRTs. The  
15 margins for CRT television and monitor manufacturers are sufficiently thin that price increases  
16 of CRTs force them to increase the prices of their CRT Products. This means that increases in the  
17 price of CRTs lead to quick corresponding price increases at the OEM level for CRT Products.

18  
19 134. Computer and television OEMs and retailers of CRT Products are all subject to  
20 vigorous price competition, whether selling CRT televisions or computer monitors. The demand  
21 for CRTs is ultimately determined by purchasers of CRT Products. The market for CRTs and the  
22 market for CRT Products are therefore inextricably linked and cannot be considered separately.  
23 Defendants were well aware of this intimate relationship, and used forecasts of CRT television  
24 and computer monitor production to predict sales of and determine production levels and pricing  
25 for CRTs.  
26  
27  
28

1        135. Computers and televisions are commodities with little or no brand loyalty such  
2 that aggressive pricing causes consumers to switch preferences to different brands. Prices are  
3 closely based on production costs, which are in turn directly determined by component costs, as  
4 assembly costs are minimal. OEMs accordingly use component costs, like the cost of CRTs, as  
5 the starting point for all price calculations. On information and belief, computer and television  
6 OEMs price their end-products on a “cost-plus” basis. Thus, computer and television prices  
7 closely track increases and decreases in component costs.

9        136. The CRT is the most expensive component in the products into which they are  
10 incorporated. On information and belief, the cost of the CRT in a computer monitor is  
11 approximately 60% of the total cost to manufacture the computer monitor. On further  
12 information and belief, the cost of the CRT in a television is a slightly smaller percentage of the  
13 total manufacturing cost because a television has more components than a computer monitor,  
14 such as a tuner and speakers.

16        137. Economic and legal literature recognizes that the more pricing decisions are based  
17 on cost, the easier it is to determine the pass-through rate. The directness of affected costs refers  
18 to whether an overcharge affects a direct (i.e., variable) cost or an indirect (i.e., overhead) cost.  
19 Overcharges will be passed through sooner and at a higher rate if the overcharges affect direct  
20 costs. Here, CRTs are a direct and substantial cost of CRT Products. Therefore, Plaintiff will be  
21 able to show that the overcharge on the CRTs was passed through to indirect purchasers.

23        138. Once a CRT leaves its place of manufacture, it remains essentially unchanged as  
24 it moves through the distribution system. CRTs are identifiable, discreet, physical objects that do  
25 not change form or become an indistinguishable part of the TV or computer monitor in which  
26  
27  
28

1 they are contained. Thus, CRTs follow a traceable physical chain from the Defendants to the  
2 OEMs to the purchasers of finished products incorporating CRTs.

3 139. Moreover, just as CRTs can be physically traced through the supply chain, so can  
4 their price be traced to show that changes in the prices paid by direct purchasers of CRTs affect  
5 prices paid by indirect purchasers of CRT Products. On information and belief, computer and  
6 television OEMs price their end-products on a "cost-plus" basis. In retailing, it is common to use  
7 a "mark-up rule." The retail price is set as the wholesale cost plus a percentage mark-up designed  
8 to recover non-product costs and to provide a profit. This system guarantees that increases in  
9 costs to the retailer will be passed on to end buyers. Unlawful overcharges in a component  
10 normally result in higher prices for products containing that price-fixed component. In a  
11 multiple-level chain of distribution, passing on monopoly overcharges is not the exception; it is  
12 the rule.

13 140. The purpose of Defendants' conspiratorial conduct was to fix, raise, maintain,  
14 and/or stabilize the price of CRTs and, as a direct and foreseeable result, CRT Products. The  
15 market for CRTs and the market for CRT Products are inextricably linked. One exists to serve  
16 the other. Defendants not only knew, but expressly contemplated, that prices of CRT Products  
17 would increase as a direct result of their increasing the prices of CRTs.

18 141. Finally, many of the Defendants and/or co-conspirators have themselves been  
19 and/or are manufacturers of CRT televisions and computer monitors. Such manufacturers  
20 include, for example, Samsung, LG, Hitachi, Toshiba, Philips, and Panasonic. Having agreed to  
21 fix prices for CRTs, the major component of the end products they were manufacturing, these  
22 Defendants intended to pass on the full cost of this component in their finished products, and in  
23 fact did so.

1       142. As a direct and proximate result of Defendants' illegal conduct, Plaintiff has been  
2 forced to pay supracompetitive prices for CRT Products containing price-fixed CRTs. These  
3 inflated prices have been passed onto Plaintiff by direct purchaser manufacturers, distributors,  
4 and retailers.

5  
6                   **J. FRAUDULENT CONCEALMENT**

7       143. Defendants have fraudulently concealed the existence of conspiracy alleged in  
8 this Complaint.

9       144. The State of Florida has exercised due diligence to learn of its legal rights and,  
10 despite such diligence, failed to uncover the existence of the violations alleged below until after  
11 the initiation of a class action suit.

12  
13       145. After learning of the class action suit, the State of Florida exercised further due  
14 diligence which has led to the filing of this lawsuit.

15       146. Additionally, Plaintiff State of Florida's claims alleged herein were tolled in the  
16 interim as a result of Plaintiff being included as a member of putative classes in multiple class  
17 action suits.

18  
19       147. Defendants effectively, affirmatively, and fraudulently concealed the existence of  
20 the violations alleged below through the following actions, among others:

21               a. by engaging in a conspiracy through secret discussions and meetings  
22 regarding pricing and output that did not give rise to fact that would put the State of  
23 Florida on inquiry notice that the Defendants conspired to fix prices for CRTs;

24               b. by agreeing to not publicly discuss the nature of their price-fixing  
25 agreement;  
26  
27  
28

1 c. by agreeing limit the number of representatives from each Defendant  
2 attending the meetings and limit written communication regarding their ongoing price-  
3 fixing agreement to avoid detection and prosecution under the antitrust laws;

4 d. by agreeing to disseminate false and pretextual reasons for the inflated  
5 prices of CRTs during the relevant period and by describing such pricing falsely as being  
6 the result of external costs rather than collusion;

7 e. by agreeing among themselves on what to tell their customers about price  
8 changes, and agreeing upon which attendee would communicate the price change to  
9 which customer;

10 f. by agreeing among themselves upon the content of public statements  
11 regarding capacity and supply;

12 g. by agreeing among themselves to eliminate references in expense reports  
13 that might reveal the existence of their unlawful meetings; and

14 h. by engaging in a successful, illegal price-fixing conspiracy that by its  
15 nature was inherently self-concealing.

16  
17  
18  
19 148. The State of Florida has exercised due diligence by promptly investigating the  
20 facts giving rise to the claims asserted herein upon having reasonable suspicion of the existence  
21 of Defendants' conspiracy to the extent permitted by law.

22 **K. ASSIGNMENT**

23  
24 149. The State of Florida, Department of Management Services, Procurement Division  
25 ("DMS"), requires vendors contracting through DMS for provision of products and/or services to  
26 Florida agencies, political subdivisions, universities, and community colleges to assign claims  
27  
28

1 those vendors may accrue relating to violations of federal and/or state antitrust laws to the State  
2 of Florida when the claims relate to purchases by Florida governmental entities.

3 150. As a result of this requirement, the State of Florida has contractual agreements  
4 with certain retailers or makers of CRT Products assigning any accrued claims relating to  
5 violations of federal and/or state antitrust laws to the State of Florida, when the claims relate to  
6 purchases by Florida governmental entities.  
7

8 151. The retailers or makers of CRT Products sold to Florida governmental entities  
9 commonly purchased products containing CRTs directly from Defendants.

10 152. The retailers or makers of CRT Products paid higher-than-competitive prices for  
11 CRTs and CRT Products as a result of Defendants' unlawful conduct.  
12

13 153. The retailers or makers of CRT Products ("Assignors"), pursuant to DMS bid  
14 documents, contracts and/or purchasing agreements, assign to the State of Florida all of their  
15 accrued claims for violations of federal and/or state antitrust laws relating to the CRTs or CRT  
16 Products that the retailers or makers of CRT Products purchased and then resold to Florida  
17 governmental entities.  
18

19 154. The Assignors are: Acer, Apple, Compaq, Dell, Inc., Digital Equipment, Fujitsu,  
20 Gateway, Hewlett-Packard, IBM, Lenovo, Micron, NEC, Sony and Toshiba.

21 155. With the assignment of these claims, the State of Florida received all right, title,  
22 and interest that the Assignors had in federal and/or state antitrust claims against Defendants.  
23  
24  
25  
26  
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28



**L. VIOLATIONS ALLEGED**

**COUNT I**

**(Illegal Restraint of Trade Under Section One of the Sherman Act)**

156. The State of Florida incorporates and re-alleges, as though fully set forth herein, each and every allegation set forth in the preceding paragraphs of this Complaint.

157. This is an action that alleges a violation of Section One of the Sherman Act, 15 U.S.C. § 1.

158. Defendants knowingly – that is, voluntarily and intentionally – entered into a continuing agreement, understanding and conspiracy to fix, control, raise, maintain, and/or stabilize the prices charged for CRTs during the relevant period, continuing through the filing of this Complaint.

159. Defendants knowingly – that is, voluntarily and intentionally – entered into a continuing agreement, understanding, and conspiracy to limit the production of CRTs during the relevant period, continuing through the filing of this Complaint.

160. The agreement caused the State of Florida to suffer a continuing injury to its property for the following reasons:

a. The State of Florida and its units of government have been assigned the rights giving rise to this action from the Assignors, which purchased CRTs or CRT Products directly from a Defendant.

b. Price competition in the sale of CRTs has been restrained, suppressed, and/or eliminated throughout Florida and the United States.

c. Purchasers of CRTs and CRT Products have been deprived of the benefits of competition.

**COUNT II**

**(Illegal Restraint of Trade Under the Florida Antitrust Act)**

161. The State of Florida incorporates and re-alleges, as though fully set forth herein, each and every allegation set forth in the preceding paragraphs of this Complaint.

162. This is an action that alleges a violation of Section 542.18, Florida Statutes.

163. Defendants knowingly – that is, voluntarily and intentionally – entered into a continuing agreement, understanding, and conspiracy to fix, control, raise, maintain, and/or stabilize the prices charged for CRTs during the relevant period, continuing through the filing of this Complaint.

164. Defendants knowingly – that is, voluntarily and intentionally – entered into a continuing agreement, understanding, and conspiracy to limit the production of CRTs during the relevant period, continuing through the filing of this Complaint.

165. The sale of CRTs and CRT Products involves trade or commerce within the meaning of the Florida Antitrust Act.

166. The agreement caused the State of Florida to suffer a continuing injury to its property for the following reasons:

a. The State of Florida and its units of government have been assigned the rights giving rise to this action from the Assignors, which purchased CRTs or CRT Products directly from a Defendant.

b. Price competition in the sale of CRTs has been restrained, suppressed, and/or eliminated throughout Florida and the United States.

c. Purchasers of CRTs and CRT Products have been deprived of the benefits of competition.

**COUNT III**

**(Unfair Trade Practice Under FDUTPA)**

167. The State of Florida incorporates and re-alleges, as though fully set forth herein, each and every allegation set forth in the preceding paragraphs of this Complaint.

168. This is an action that alleges a violation of Section 501.204, Florida Statutes, for all direct and indirect purchases of CRTs by governmental entities, businesses, and individual consumers in the State of Florida pursuant to Section 501.207(1)(c), Florida Statutes.

169. The sale of CRTs involves trade or commerce within the meaning of the FDUTPA.

170. Defendants' actions offend established public policy and are immoral, unethical, oppressive, unscrupulous, or substantially injurious to Florida governmental entities, to businesses in the State of Florida, and to individual residents in the State of Florida. Thus, Defendants' unfair methods of competition and unconscionable acts and practices in the conduct of trade and commerce violate Section 501.204, Florida Statutes.

**M. PRAYER FOR RELIEF**

171. Accordingly, the State of Florida requests that this Court:

a. Adjudge and decree that Defendants violated Section 1 of the Sherman Act, 15 U.S.C. §1;

b. Adjudge and decree that Defendants violated Section 542.18, Florida Statutes;

c. Adjudge and decree that Defendants violated Section 501.204, Florida Statutes;

1           d. Enjoin and restrain, pursuant to federal and state law, Defendants, their  
2 affiliates, assignees, subsidiaries, successors, and transferees, and their officers, directors,  
3 partners, agents and employees, and all other persons acting or claiming to act on their  
4 behalf or in concert with them, from continuing to engage in any anticompetitive conduct  
5 and from adopting in the future any practice, plan, program, or device having a similar  
6 purpose or effect to the anticompetitive actions set forth above;  
7

8           e. Award to the State of Florida any other equitable relief as the Court finds  
9 appropriate to redress Defendants' violations of federal or state law to restore  
10 competition;  
11

12           f. Award to the State of Florida treble damages for overcharges paid by or  
13 assigned to the State of Florida and its units of government for purchases of CRTs and  
14 CRT Products;  
15

16           g. Award to the State of Florida any other statutory damages, restitution or  
17 equitable disgorgement for the benefit of the state and its consumers, as appropriate;  
18

19           h. Award to the State of Florida the maximum civil penalties under Section  
20 542.21, Florida Statutes, for each contract, combination, or conspiracy in restraint of  
21 trade or commerce;  
22

23           i. Award to the State of Florida the maximum civil penalties under Sections  
24 501.2075 and 501.2077, Florida Statutes, for each violation of FDUTPA;  
25

26           j. Award to the State of Florida its costs, including reasonable attorneys'  
27 fees and, as may be appropriate under state law, expert witness fees and investigation  
28 costs; and

          k. Order any other relief that this Court deems proper.

**N. DEMAND FOR JURY TRIAL**

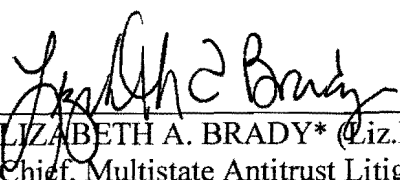
172. The State of Florida demands a trial by jury of all issues so triable in this case.

Respectfully submitted,

Dated: December 8, 2011

The State of Florida

PAMELA JO BONDI  
Attorney General  
STATE OF FLORIDA

  
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*\*Pending Transfer to MDL 1917 and  
Automatic Pro Hac Vice Admission Pursuant  
to Pretrial Order No. 1 Dated April 4, 2008  
(Waiving Civil L.R. 11-3)*

Attorneys for Plaintiff State of Florida

## CIVIL COVER SHEET

JS 44 (Rev. 12/07) (CAND Rev 1/10)

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON PAGE TWO OF THE FORM.)

## I. (a) PLAINTIFFS

State of Florida, Department of Legal Affairs, Office of the Attorney General

## DEFENDANTS

See attachment

(b) County of Residence of First Listed Plaintiff  
(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

(c) Attorney's (Firm Name, Address, and Telephone Number)

See attachment

Attorneys (If Known)

LB

ADR

## II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff ☒ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

## III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State ☐ PTF 1 ☐ DEF 1 Incorporated or Principal Place of Business In This State ☐ PTF 4 ☐ DEF 4
- Citizen of Another State ☐ PTF 2 ☐ DEF 2 Incorporated and Principal Place of Business In Another State ☐ PTF 5 ☐ DEF 5
- Citizen or Subject of a Foreign Country ☐ PTF 3 ☐ DEF 3 Foreign Nation ☐ PTF 6 ☐ DEF 6

## IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	<b>PERSONAL INJURY</b> <input type="checkbox"/> 362 Personal Injury—Med. Malpractice <input type="checkbox"/> 365 Personal Injury—Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark
<b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>CIVIL RIGHTS</b> <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities Employment <input type="checkbox"/> 446 Amer. w/Disabilities Other <input type="checkbox"/> 440 Other Civil Rights	<b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <b>Habeas Corpus:</b> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	<b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 400 State Reapportionment <input checked="" type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
		<b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus—Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))	<b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609

## V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation ☐ 7 Appeal to District Judge from Magistrate Judgment

## VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
15 U.S.C. § 15; 15 U.S.C. § 26

Brief description of cause:

Conspiracy to fix prices of CRTs.

## VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 ☐ DEMAND \$

CHECK YES only if demanded in complaint  
JURY DEMAND: ☒ Yes ☐ No

## VIII. RELATED CASE(S) IF ANY

PLEASE REFER TO CIVIL L.R. 3-12 CONCERNING REQUIREMENT TO FILE "NOTICE OF RELATED CASE". 3:07-cv-05944-SC Judge Samuel Conti

## IX. DIVISIONAL ASSIGNMENT (CIVIL L.R. 3-2) (PLACE AND "X" IN ONE BOX ONLY)

☐ SAN FRANCISCO/OAKLAND ☐ SAN JOSE ☐ EUREKA

DATE  
December 8, 2011

SIGNATURE OF ATTORNEY OF RECORD

*John D. Brady*